PY G721.21/2 A278

REPORT TO

STATE GOVERNMENT SURVEY COMMITTEE

BY

SUB-COMMITTEE ASSIGNED TO STUDY THE DEPARTMENT
OF AGRICULTURE AND THE MILK CONTROL COMMISSION

OBJECTIVE

The objective of this Committee was to ascertain whether or not the Department of Agriculture and the Milk Control Commission are run efficiently and effectively and if not, what changes are needed to improve the operations of these functions of State Government, which might result in direct savings to the tax payers, or in an improvement in services rendered.

SCOPE OF INVESTIGATION

The Committee confined its investigations to the broader aspects of the problem, namely, what service or services is the agency supposed to perform, the magnitude of the field to be serviced, and the effectiveness of the services rendered. The Committee felt that the manner under which it conducted its investigation would reveal any flagrant or obvious waste of public money in the conduct of the affairs of the agencies, Therefore, it did not examine, in minute detail, the operations of these agencies.

CONDUCT OF INVESTIGATION

The Committee personally conferred with the Milk Control Commissioners and their Bureau and Department Heads; and with the Secretary of Agriculture, his Deputy and their Bureau and Division Heads. It also made an unscheduled visit to the Department of Agriculture and toured all of its facilities in the South Office Building. The Committee wishes to express here, its sincere appreciation to both of these agencies, for their splendid cooperation and willingness to furnish the Committee with all of the information which it needed.

BACKGROUND

In order to better evaluate the services rendered by these agencies, it is important to know that family-type farms in Pennsylvania represent an investment of about 1½ billion dollars. Included in this investment is livestock and poultry conservatively valued at more than 800 million dollars, which produces approximately 600 million dollars annual income, or about 75% of the total annual agricultural income of Pennsylvania.

The Pennsylvania Department of Agriculture is essentially a service agency, created to deal with the administrative, regulatory, investigational and educational problems of this industry, which can best be solved through public, rather than individual, action. The Department cooperates with the Pennsylvania State College and the United States Department of Agriculture. In addition, it conducts the official Pennsylvania Egg Laying Contest and cooperates with the State Farm Show Commission, the State Farm Show Committee, the State Soil Conservation Commission and various Agricultural Associations.

The Milk Control Commission is an instrumentality of the Commonwealth created for the purpose of administering the provisions of the Milk Control Law and is vested with power to supervise, investigate and regulate the entire Milk Industry of the Commonwealth. It has jurisdiction over 5½ billion pounds of milk annually, and controls 1710 licencees.

FINDINGS

PENNSYLVANIA DEPARTMENT OF AGRICULTURE

ADMINISTRATION AND ORGANIZATION

The administration of this Department is ably conducted in the Public Interest by the Secretary and his Deputy. It appears to be well organized and flexible enough to adapt itself to emergency situations. It is hampered by a lack of floor space and the poor location of inter-related Bureaus and functions.

PERSONNEL

It was quite evident to the Committee that the Department was conservative in its use of manpower. As a matter of fact, a closer examination might reveal that, if more floor space were available, the working force might be judiciously increased, which would result in greater operating efficiency.

There was no evidence of "feather bedding" or "gold-bricking", with the possible exception of four or five super-annuated employees. These men were hired during World War II when young men were unavailable. At the time of employment they were too old to benefit from the State Retirement Fund. Today they are ineffective and inefficient and are therefore in the category of pensioners. As a practical matter, it is not feasible to summarily dismiss these employees. Consequently, they are retained, but their activities are restricted and their responsibilities limited. They represent about 1% of the total number of permanent employees.

The Committee was very favorably impressed, on its unannounced trip through the Department, with the industrious nature of the employees. The Committee cannot help but note, in passing, that Bureau Directors and other key personnel seemed well qualified to hold their respective positions. All of them are keenly conscious of their responsibility to render prompt and efficient public service.

The Committee also wishes to note that there are many times more employees on the U. S. Department of Agriculture payrolls in Pennsylvania than there are on our own Department's payrolls. Considerable savings to the taxpayers could be effected by eliminating Federal Employees engaged in activities which are already well done by Sate Employees.

USE OF PUBLIC FUNDS

The Department is conservative in the use of Public Funds. This is demonstrated by the fact that in many cases, where special funds were appropriated to this Department by the Legislature for specific projects, only that part of such funds were expended as were justified under the circumstances.

The policy of the Department with respect to Services Rendered is that the individual farmer should pay for such service in every case where he stands to gain personally from the service.

During the last Biennium the total expenditures of this Department aggregated about 5 million dollars, roughly divided as follows:

Operating Expense & Maintenance	3.5 Million
Animal Indemnities	1.0 Million
Other Services	.5 Million

Against this expenditure, the Department derived Revenues from Licenses, Fees, Fines and Miscellaneous Sources, 1 Million dollars. In addition, the General Fund was credited with 2 Million dollars derived from the enforcement of the Dog Law which this Department administers at a cost of about ½ million dollars, but for which it receives no credit.

In the final analysis, this Department's net expenditures for Operating Expense and Maintenance are only 1 million dollars, plus 1 million dollars paid to farmers as a partial recovery on valuable cattle required to be slaughtered in the highly important programs to control tuberculosis and Bangs disease of farm animals.

There are no Federal Funds involved in or administered by this Department.

FINDINGS

MILK CONTROL COMMISSION

ADMINISTRATION
AND ORGANIZATION

The administration of the Commission is presently ably conducted under the excellent leadership of the Chairman of the Commission. It has had some weaknesses in organization in the past, but these are recognized by the Commissioners and steps are being taken to eliminate incompetence and inefficiency.

PERSONNEL

Broadly speaking, the staff of the Commission is composed of trained specialists. However, there is a definite lack of qualified personnel, particularly in the field activities of the Enforcement Section. As a matter of fact, producers feel that the present force is not sufficient to give them adequate protection against unscrupulous dealers. The Commission is also hampered by the fact that the Attorney General has failed to supply it with competent legal assistance. The Research Staff is undermanned to the extent that it cannot develope important information in the fields of efficient production and returns on investment.

USE OF PUBLIC FUNDS

During the last Biennium the cost of operating the Commission was $733,000. Against this, the Commission received $258,000 in Licences, Fees and Fines, leaving a net operating cost of $475,000. In addition, the Commission effected returns to producers for underpayments or delinquent payments of dealers in the amount of $653,000. This fact, plus the contribution the Commission has made toward stabilizing the industry and increasing milk production leads this Committee to the conclusion that the public's money has been well spent. Furthermore, the cost of operating this Commission is less than one-fourth the cost of maintaining the Federal Marketing Administration in Philadelphia alone. In relation to the Price Regulations under the New York Federal Marketing Order No.27, during the 5 years 1947-1951 inclusive, Pennsylvania consumers paid 61½ million dollars LESS for their milk, and Pennsylvania producers received 70.1 million dollars MORE for their products. A total saving to the public of 131.6 million dollars.

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RECOMMENDATIONS

Fund for Encouraging Agricultural Exhibits - $100,000

The Committee recommends that the use of this fund be carefully scrutinized with a view to revising the rules under which the funds are distributed. It appears that so-called "Carnivals" can qualify for a part of this money, merely by including a minor Agricultural Exhibit in the show. The Committee believes that the use of these funds should be limited to bona-fide Agricultural Fairs, and that consideration should be given to restricting the use of the funds by the Fair, so that a portion of it would accrue to the benefit of Agricultural Youth Groups.

Egg Laying Contest

Basically, this is a research and educational project and belongs at the Pennsylvania State College. The Committee recognizes that there is a large plant investment involved which would require Legislative Appropriation to move the facilities to State College. While the Committee believes that this function should be moved to the College, it is recommending that it be left where it is until such time as the College is ready to accept it.

Facilities

The Committee recommends that a thorough study be made of the facilities occupied by the Department of Agriculture in the South Office Building. It is quite apparent that much inefficiency results from the fact that the various Bureaus are scattered throughout the building, even though there are close relationships between them. It is the Committee's recommendation that all of the Bureaus and Divisions of the Department should be concentrated on two or three floors of this building and that provision be made for future expansion, particularly with respect to the Bureau of Animal Industry.

Compensation

The Committee feels that the general wage level of the Department of Agriculture and the Milk Control Commission is low in relation to the quality of personnel employed. While it would not recommend an increase in compensation for them specifically, it does feel that if this condition is prevalent throughout the State Government, serious consideration should be given to improving the compensation paid all State Employees.

Personnel - Milk Control Commission

The Committee recommends that the staff of the Commission be increased to the extent that its enforcement function will be strenghtened and the over-all effectiveness of the Commission improved. The Committee also recommends that immediate steps be taken to correct the unsatisfactory situation existing with respect to legal personnel assigned to the Commission by the Attorney General.

Respectfully submitted,

R. N. Benjamin, Chairman
E. Lowry Humes
G. A. Boger
Ralph L. Culver
M. Dice Statler
L. A. Thomas, Jr., Secretary

LAT - 12/8/52